



Gaithersburg-Germantown Chamber of Commerce, Inc.

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BILL 38-21, ECONOMIC DEVELOPMENT FUND – LOCAL BUSINESS CHILD CARE GRANT PROGRAM

The Gaithersburg-Germantown Chamber of Commerce supports Bill 38-21 to establish a Local Business Child Care Grant Program. Not only does this bill provide direct support to small businesses who are currently helping their employees with childcare costs, it is a great incentive for more businesses to provide this benefit. This bill is also a great example of how the County and the private sector can work together to help solve the complex, costly issue of early care.

The Economic Policy Institute tracks the high cost of childcare in every state. Maryland is the 7th highest cost in the Country with an average annual cost of infant care of \$15,335—that's \$1,278 per month. Childcare for a 4-year-old costs \$10,254, or \$855 each month.

Based on the U.S. Department of Health and Human Services (HHS), childcare is affordable if it costs no more than 7% of a family's income. By this standard, only 8.9% of Maryland families can afford infant care. At our current cost, infant care for one child would take up 17.6% of a median family's income in Maryland – more than twice what HHS considers affordable.

That is just for one child. Childcare for two children—an infant and a 4-year-old—costs on average \$25,589. That's 37.0% more than average rent in Maryland. A typical family in Maryland would have to spend 29.4% of its income on childcare for an infant and a 4-year-old.

The economics of the childcare industry does not work for families on the lower end of the economic spectrum. Without specific support, families make alternative decisions such as unlicensed childcare, reliance of family support that may not be ideal, or parents leaving the workforce all together – most often mothers.

Over the past 18 months, we had a front row seat to what happens when the childcare industry breaks down. We want to do what we can to create sustainable change. There is no doubt that the economics of the childcare industry are complex and will not be solved by one program. However, this bill is a positive start. Providing grants for employers who contribute to the cost of childcare for employees is a great way for the County to help ease the burden for both employers and employees.

Please consider approving Bill 38-21.

Thank you for your consideration.

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